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Political Economy.

From Munt's Merchants' Magazine AN ARGUMENT FOR FREE TRADE. By S. G. ARNOLD.

WE had suppesed that the long and fierce discussion, waged for so many years between the advocates of protection and free trade, had resulted in a settled preference for the free trade policy, and that the same liberal principles which origi-nated our glorious constitution, and which so generally per-vade all our modes of thinking and action, were, without further controversy, to govern our intercourse with the nations of the world; applying their mysterious but powerful stimulus

to whiten every san. But it would seem that we have been mistaken. Even in of men who are the natural foes of monopoly and restriction, several writers have already announced themselves as the advocates of protection; and the movements at the capitol and elsewhere, indicate that there are those who are willing, at the first favorable spportunity, to revive this long-debated question. Under these circumstances, we are particularly pleased to see that one of the most powerful champions of free trade has brought out a volume of essays, written during the heat of the tariff contest, and embodying most of the ar guments which were so successful in everwhelming the 'American System,' and in bringing about the compromise of 1833. We allude to the volume on 'Free Trade,' by Dr. Raguet, published a few months since at Philadelphia.

nations were from year to year involved in bloody apply to the family of nations. Formerly when arms was the occupation of the wealthy and the noble, war only was the field of glory and renown. From the reign of Nuxua, the second king of Rome, to that of Augustus, in whose time Christ was born, a period of nearly 700 years, the temple of Janus, which was kept open in war and closed in peace, was shut but once, and then for a short period only. Immediately subsequent to the birth of Christ, about 500 years of successive was preceded the fall of the great Roman enumer. From the ruins of this gigantic people, a multitude of nations sprang the ruins of this gigante people, into existence, who, as it were, slept upon their arms and kept Europe in a state of dreadful commotion for about a thousand years. Then followed the wars of the reformation and of Napoleon, deluging the world in blood, and stirring up the deepest hate between nations separated only by an im-

At leagth, however, these scenes of carnage have been succeeded by a period of deep and almost sublime repose. As light, and knowledge, and commerce have advanced, the arts of peace have been cultivated more than those of war, and we seem almost to have realized the day foreseen by the inspired prophet, when 'they shall beat their swords into plough-shares, and their spears into pruning-hooks,' and when nation shall not lift up sword against nation, neither shall learn war any more.

For the last twenty-five years the world has enjoyed a calm For the last inenty-five years the world has enjoyed a calm unknown to it in any other age. Nations have ceased to regard each other with that deep and settled hate which once kept them involved in continued and disastrous wars; and as human liberty has extended, and the people have been left free to check the assumptions of power, a barrier has been interposed against the ambitious projects of kings, while the free spirit of Commerce, visual by the face winds of heave

terest, and promote the peace and harmony of this great so-ciety. If, therefore, the necessity ever existed, there is now cent. Consequently, if a yard of cloth which is worth or ciety. It, therefore, the necessity ever existed, there is now cent. ments on the subject of trade; and if freedom is best calcu-

bet all having substantially the same interests, and each contributing its share to the general good. Every thing around us appears to have been constituted with this design. ation of the earth's axis to the ecliptic, causes an agreeatered abroad over every part of the earth's surface, it is ev dent that without a constant intercommunication between the distant parts he would be deprived of many enjoyments which

comforts increased by the productions of other countries. When we sit down to our breaklast in the morning, and glance over the smoking board, we behold at once how largely we are indebted to distant regions for even our comr pleasures. The table on which we cat is probably of wood grawn in South America; the cloth which covers it is from Ireland; the cups from which we drink are from China or England; the knives in part from Liverpool, and in part from the deserts of Africa; the spoons from the mines of Mexico; the coffee which we sip, from the distant island of Java; the sugar which suits it so admirably to our taste, sisland of Cuba. In short, we can scarcely open our eyes but they rest on some article brought by immens and teil-nay, perhaps even with risk of life and limb, from

ome far-off clime. Now, as the earth rises into hills and sinks into valleysis cold, and temperate, and hot in different portions-it possesses, in every part, a peculiar apmess for something which cannot be so readily produced elsewhere ; and, hence, amount of production on the whole globe would ev dently be greatest if the people of each country would produce those things only for which they possess the greatest facilities by soil, climate, and location. It whould therefore the true policy of every country to foster the production of those things which these advantages render most profitable, and exchange the surplus which ror plying the wants of its own population, for the productions

f other countries which it cannot so readily create.

Thus the soil and climate of New-York are adapted to rassing wheat, while they are not adapted to raising conee : on the other hand, the soil and climate of Cuba are adapted to raising coffee, but not to raising wheat. Now if the labor of a New-York farmer in one day would produce a hundred pounds of flour, while the same labor would not produce a

pound of coffee, and if the labor of a West India planter the advantage of both to apply themselves to the production most congenial to their several climates and make a friendly as the farmer would, by that means, obtain more

offee and the planter more flour.

But there are certain political philosophers who contend that it would be better for every country to foster as great a variety of products as possible, and that if the soil, climate, circumstance prevents their creation as cheaply as price within the United States to six cents; by which means the Louisianian will be enabled to employ his lands in the ultivation of sugar.

Beneving that this principle of protecting particular interests by discriminating duties, is detrimental to the inter-ests of society, injurious to production and commerce, and unworthy of the enlightexed age in which we live, we shall devote the remainder of these passages to a further examination of the fallacies on which it is founded. We regard it-

As unjust and oppressive.
 As offering a bounty to smuggling and fraud.

III. As injurious to production, commerce, and national

I. It is unjust and oppressive. Our country is, in many respects, more fortunately situated than others. We have a vast domain of wild and fertile lands, which invite the hand to the interests of production and commerce, and giving a bolder wing to those noble enterprises which have already purchased our flag to be unfurled in every clime, and our canvass fore, joined with habits of sobriety and industry, is sufficient to make the laborer independent. This productiveness of the soil repays the toils of the husbandman so handsomely. this magazine, devoted exclusively to the interests of a class that many branches of business which can be carried on to profit in other countries, cannot be prosecuted here; because land being so cheap, and agricultural pursuits so agreeable and profitable, they offer a richer reward than those other This circumstance necessarily fixes the rate of wages higher here than in most other countries. The fer-tility of the soil has the effect of a labor-saving machine, and its cheapness brings it within the means of a vast number of

This being true, it follows that many branches of production to which our soil and climate are not entirely unfriendly, cannot be prosecuted here to any great extent while commerce is unfettered by restrictive laws. Because, if the farmer can produce more sugar by raising wheat and exchang-ing it with the West India planter, than he can by cultivating and ruinous wars, it may have been necessary to grant extra-ordinary encouragement to particular interests. But this ar-experience has shown that men are not very apt to go coun-

wars preceded the fall of the great Roman empire. From to undersell him in the market. To prevent this unequal the ruins of this gigantic people, a multitude of nations sprang competition, Congress interposes its shield of protection and lays a duty on foreign sugar, by means of which the price is raised so high within the bounds of the United States, that the Louisianian is enabled to carry on the cultivation without

Now we contend that this interposition of Congress is both unjust and oppressive. 1st. It is unjust because it is imposing a tax on all the pursuits of industry—that is, on all the consumers of sugar within the United States—for the purpose of favoring a particular branch of production, which we think government has no right to do. 2d. It is oppressive, because the tax so levied is no benefit, but a positive injury to the community, the consumer parting with his money without any remuneration whatever. If, in consequence of this duty, sugar is made dearer by three cents a pound, then whoever consumes a pound of sagar contributes three cents towards sustaining the Louisiana planter in a business which, after all, yields him only the average profits of other pursuits. The money might, therefore, for all the benefit which it accomplishes, be just as well thrown into the sca.

In coming to this conclusion, we must, of course, keep the idea of protection separate from that of revenue. All governbears to every clime the olive-branch of peace, and binds together the family of nations with the strong it of interest.

This tie, always important, is now daily increasing in power.

The application of steam to ocean navigation has constituted a new era in the history of Commerce and of nations. The regularity and certainty with which we now receive intelligence from all parts of the world, has opened the customs and literature of other nations to our doors, and produced. ments must be supported, and taxes for that purpose are well applied. A tax for protection is for an object entirely different,

result of which must be greatly to strengthen these ties of inno longer any occasion for that extreme selfishness which has one dollar in Canada, can, by this obstruction to free trade, characterized the legislation of different goverabe sold in New York for the doubts, they bounty of one dollar per yard offered by government for every yard of cloth which shall be surreptitiously conveyed neross duction of nations, there is no sufficient cause why it should the line. It is true that this is an offence against the laws, and punishable accordingly; but as the prospect of gain is not be grafted on their policy.

To the political philosopher, the world should be regarded and punishable accordingly; but as the prospect of gain is great, there are always to be found persons who are willing to incur the risk, and who would think it no great crime to incur the risk, and who would think it no great crime to incur the risk, and who would think it no great crime to incur the risk, and who would in order to accommodate their take a sleigh-ride into Canada in order to accommodate their neighbors with goods at half the price of regular importation. The same motive is furnished for making false entries,

false invoices, and false oaths at the Customhouse. There are many persons who would shudder at the idea of com-Peculiar production, but none of which furnishes all that the mainty persons was would similar at the large of committing a fraud on the Customs, if the duty demanded was wants of man in his civilized state require; and as he is scatmoderate, and only for the support of government, who, with a much larger bribe before them, would easily reconcile themselves to what is called a Customhouse Oath. Hence the litigation, the seizures, the frauds, of which we hear so much, about the precints of a Customhouse. Hence, also, the smug-Honce the importance of commerce. Every man finds his ging which is carried on along our extended frontier. Th perplexing evil to all governments; but under a system protection and high duties, is particularly inconvenient.

One of the secretaries of the treasury, in his around report, states that during the seven years preceding 1828, we had exported more spices than we had imported. is an article not produced in the United States, and which is largely consumed. This statement consequently shows how large a quantity must have found its way through other channels than those of the Customhouses. Dr. Ragn his essays on this subject, written in 1831, says: Dr. Ragnet, in one of has essays on this subject, from persons who lately made some inquiries on this subject, from persons who have traveled in Great Britain and on the continent of Europe, and their testimony has satisfied us that in the inter-course between France and England every thing is smuggled by travelers that can possibly be concealed. People that would not, for the world, defraud an individual out of six pence, have no hesitation in pocketing six pounds which ought by law to go into the public treasury. And not only does this practice extend to the inferior and middling classes of people, to whom the saving is an object in a pecuniary point of view, but to highest rank and fortune. Even ladies, crossing the channel, are in the habit of concealing upon their persons laces, jewelry, and articles of valuable cloth and, what is the worst of it, no stigma of disgrace is attached to such a transaction; and in the politest circles of socie ty the illicit introduction of foreign goods is spoken of by m without any reserve, or the slightest sense of their having been guilty of a dishonest act.'

In another part of the same paper he further says: 'A gentleman, lately from England, has assured us that goods can be insured from London to Paris by the way of Ostend, against all the risks attendant upon snuggling, for seven and a haif per centum. All through South America and the West Indies, smuggling is carried on upon a most extensive

would, in the same time, produce twenty-five pounds of everybody, and excites no compunctions, except those which godiec, but not a single pound of flour, it would clearly be to arise from fear of detection. Such, then, is the inevitable effect of a long perseverance in the policy of high and tempting duties. They invite a disregard of the laws, offer an indirect bounty to deceit and fraud, lower the standard of pubic morals, and decoy men unwittingly into the paths of dishonor and crime

1st. To production. We have seen, elsewhere, that the

tection is the raost powerful stimulus which can be applied to the production of a country. Mr. Greeley, a writer of accordance that to the whole extent which protection in the production of a country the loser knowledged ability, and possessing a remarkable command and the production injured. of facts, in an article which appeared in one of the early numbers of the Merchants' Magazine, (vol. 1, page 53.) takes this view of the matter: 'Is it,' he asks, 'commercially the latest that we should hardly have takes this view of the matter: 'Is it,' he asks, 'commercially the latest takes expedient that the great producing interests of the country be fostered and stimulated to their highest possible activity and force, or that they be left entirely to take care of themselves, and in each department to encounter the depressing

selves, and in each department to encounter the depressing and disastrous rivalry of whatever portion of the globe may be able to undersell our productions in its particular staple?'

Here Mr. Greely evidently regards protection as the agent which is to stimulate to the 'highest possible activity' the producing interests of the country; and in a subsequent article (Merckants' Magazine, vol. 1, page 413,) he explains the manner in which this is to be accomplished. The says, the manner in which this is to be accomplished. The says, the manner in which this is to be accomplished. The says, the protective policy is beneficial to commerce. Mr. Greeley, in one of the articles already alluded to, (vol. 1, Let me now adduce some illustrative examples; we all know that certain bounties are paid by our government to our citizens engaged in the cod and mackerel fisheries; will my opponent contend that no more fish are caught than there bread-stuffs being in great purchased from abroad. In may safely defy its opponents to show any ten successive bread-stuffs being in great part purchased from abroad. In may safely defy its opponents to show any ten successive years when commerce was so uniformly, generally, and onshould be paid thereafter to the producers of wheat within wardly prosperous. should be paid thereafter to the producers of wheat within her territory. Under the operation of that act, in the course of two or three years, the annual production of wheat in Maine has been quadrupled. Now, my opponent will not deny that this act is clearly a protective one, and directly in the test of the transfer that the test of the transfer that act is clearly a protective one, and directly in the test of the transfer transfer that a country to the test of the transfer that a country to the case. The test of the transfer that the sustain his view of the case. The transfer that the test is conclusion. the teeth of the 'free trade' principles which Maine has ever professed to cherish.'

Certainly no one can doubt that this is a protective measure, or that it has had the effect to increase the production of lation. not work in the field and on the fishing banks at the same time; they cannot raise potatoes and wheat at once on the same field. Consequently they are obliged to choose between employments. The bounties on fish and wheat made these branches of business more profitable than some others, and men who understood this, left the less profitable for that which paid them better. But there is no evidence here that the entire amount of productions in Maine was increased by its bounty to the wheat growers. Mr. Greeley seems to have been aware that this ojection would be urged against his argument on the gradual reduction of the compromise act, and still burdened in part by the restrictive policy, is \$116,494,722, or about \$7 per head for the population. Now it will be seen at a glance, that so far from exhibiting the production of the second and production been aware that this ojection would be urged against his argument, and he therefore guards it as follows:

My opposest, then, has no chance of escape from the natherefore Maine has gained nothing by her protective policy. But is this presum; tion justified by fact? Will any man seriously contend that if Maine had not raised the two millions of bushels extra of wheat, during the last three years, she would necessarily have produced something in its stead of equal or greater value? I trust not.

We could have wished that Mr. Greeley had drawn from his inexhaustible store of facts semething a little more satisfactory than is contained in his last three words, as without them we must still come to the conclusion that Maine has, in fact, been the *loser* by her 'protective policy.' The reason why wheat was not raised before the hestowment of this bounty, was because the wheat culture was less profitable than some other modes of industry. The bounty had the effect te raise it to the general average, and consequently to invite the culture. Had the bounty been paid by the King of France, it is possible that Manne might not have been the loser. was, however, taxed in some way on her own citizens, and was therefore merely taken from the pockets of one class to be put into those of another; and if, after all, wheat cannot be raised in Maine cheaper than it can be procured by ex-change, she has, clearly, been the loser by her protective

To illustrate this position: A farmer in Maine can raise on a certain piece of land \$25 worth of potatoes, and only \$20 worth of wheat. It is consequently to his interest to raise potatoes. But if the wheat bounty was sufficient to gence from an parts of the world, has opened the customs, and literature of other nations to our doors, and produced an exchange of thoughts, improvements, views, and feelings, the change of thoughts, improvements, views, and feelings, the control of the protected article. If it does not accomplish this, it can the protected article. If it does not accomplish this, it can the protected article. reuch as his profits would be the same in either case. although he is, individually, just as well off by turning his attention to the culture of wheat, yet it is evident that his His wheat is, after all. ground has produced less value. worth only \$20. He is a loser to the amount of \$5 on his crop, but the state has kindly come forward to make up his crop, but the state has kingly come forward to have a class, losers by their change of occapation; but the State, that is, the tax-payers, are losers to the full amount of the bounty.

Now, what is true of protection in Maine, is true of protection any where clse. The article protected can be protection any where clse.

cured by exchange cheaper than it can produced, and the protective duty is laid to make it so dear as to give the advantage to the home producer. It was not produced before because some other mode of industry was more profitable The duty raises it to the general average, and consequently the producer suffers no loss, although really engaged losing business, the community having agreed to sustain him that is, to pay his losses.

To illustrate this point still further, we will suppose that a certain kind of cloth which can be obtained of the New York mporter under a system of free trade at \$3 per yard, can be produced by the manufacturer, with fair profits, for less than \$4. In order to protect him against this foreign competition, a duty is laid of one dollar per yard, and now the cloth can be profitably made. We will suppose that under this artificial stimulant the goods are produced to the amount of 100,000 yards per amount; is the general production of the country increased-that is, is the country made richer ! this result? Most clearly not. But, on the other hand, production is less; that is, the country is poorer by at least the additional price of the cloth; that is, by \$100,000. The manufacturer was all the time doing a losing business. He made cloth which, with fair profits, cost him \$4 per yard, but thich was really worth but \$3. The loss on the whole was therefore \$100,000, which was made up to him by the consumers, who paid the dollar per yard extra, and were there-

ore made just so much poster by the protective duty.

But this is by no means the extent of the mischief. increase of price caused by the protective duty has diminished its consumption, and still further affected production by njuring our foreign market. To illustrate this position, le it be supposed that under a system of free trade, and before the price of cloth was increased by the policy of protection, the consumption amounted to 300,000 yards. great many persons who can afferd to buy cloth at \$3 cannot afford to buy it at \$4, and we will therefore suppose that the consumption has diminished from 300,000 to 280,000, and that now 100,000 yards are imported and 100,000 manufac tured. Here, then, we have at once a falling off in our in ports of 200,000 yards of cloth. Now this 200,000 yards was procured of Great Britain in exchange for 16,000 bales ton produced in one of our Southern States. We refuse to take comes of the market for this cotton ! cloth for it as formerly, and our cotton market is consequently injured, and its price • duced. Hence our policy is suici-

which not produce to advantage, and injure the production of others | tional wealth.

change with them on as favorable terms as others; that is, years ago, our minister at Constantinople, in rec change with them on as involved terms as one of the most sell as low. If we can sell lower, so much the a new mode for the production of silk, expressed a hope greater is our advantage. Thus, if it costs near cents to "by a gradual introduction of its culture among us, to save, onor and crime.

III. It is injurious to production, commerce, and national greater is our advantage. Thus, if it costs nine cents to "by a gradual introduction of its culture among us, to save, raise a pound of cotton, and we can, at that price, compete in the end, millions of money which finds its way to this with other nations, we should at eight cents be able to un- side of the Atlantic. aggregate production of the earth would be greatest if the people of each country would create only those products to which their location, s=il, and climate, are most favorable; duction is, therefore, a matter of great importance. Now it is which wild them the cost of production is, therefore, a matter of great importance. Now it is with their neighbors. Thus, if a pound of sugar can be made in Jamaica for three cents, and in Louisiana for six cents, it is urged that government should be a duty of three cents on fereign sugar, so as to raise the price within the United States to six cents; by which makes

2d. Pretection is injurious to commerce. This position given it a distinct place had it not been so stoutly denied by the advocates of protection. The direct object of comthe advocates of protection. The direct object of com-merce, says Mr. Barnard. (Merchants' Magazine, vol. 1, page 12.) is the exchange of commodities. Of course there must be commodities to be exchanged; and the more of them there may be, the more considerable will be the business and the profits of exchange. The distribution of them there may be the more considerable will be the business and the profits of exchange.

opposent contend that no more fish are caught timn there would be if no bounties were given? Again: until very recently, Maine was a timber-cutting and commercial State, her policy was predominant—from 1324 to 1334—and its frien s

erage of our exports, for instance, for the ten years preceding 1308, at which time the embargo was laid, was \$31,670,372 which is something more than \$13 50 per head for the population. The average from 1817 to 1323 inclusive, under the wheat in Maine. But it by no means proves that the aggregate productions of Maine have been benefited. Men cannot work in the field and on the fishing banks at the same

those which followed the restrictions of 1508, and those which are included in the war of 1812, which we have not tural conclusion, but through the presumption that the skill taken the trouble to calculate. It will also be seen that ten and labor employed in the production of wheat has been diverted from some other equally profitable employment; that ulation, being just about twice as great as they were in the period specified by Mr. Greeley. It is worthy of observation too, that since the passage of the compromise act, notwith standing the depressing state of the times, our foreign commerce has felt the stimulus of free trade and experienced a gradually progressive increase.

If we turn our attention to the statistics of tonnage, we shall meet with precisely the same result. During the two active years immediately succeeding the peace of 1314, under the operations of free trade, our tonnage amounted to about I ton for 6 1-5 persons. In 1920 it had decreased to I ton for 7½ persons. In 1930 it had further decreased to I ton at 3 persons. There are, however, defects in the tables of tonnage which in some measure impair their usefulbies of tomage which in some masses.

They are nevertheless, good collateral testimony, and in conjunction with the tables of export and import, seem to show that Mr. Greeley has, by some means, been led into

But all statistics aside, it is, we think, quite evident that protective duties can render no aid to commerce. We have seen that commerce subsists upon production. A large crop of cotton, or wheat, or rice, or tobacco, must necessarily give of cotton, or wheat, or rice, or tobacco, must necessarily give tries to more commercial transactions than a small one; and if it be true, as we think we have conclusively shown, that it is also injurious to commerce. Dr. Raguet justly observes that the high duty system diminishes both exports and serves that the high duty system diminishes both exports and to compel men into this or that mode of production. We "It diminishes imports by raising the price of the | believ imports. imported commodity to the consumer. No nation can afford to consume as many foreign goods at high prices as at low prices, since every man's income is limited, and the extent to which he can buy is limited by his income." It diminshes his exparts "in consequence of depriving foreign na tions of the power to pay for them. If a man who has an article for sale refuses to take in exchange for it the only commodity which others have to offer, he cannot possibly The same is the case with a nation. If a nation im sorts foreign articles to the extent of fifty millions of dollars can she do this but in consequence of selling fifty million worth of her produce? The answer must be in the negative worth of her produce? The answer must be in the negative.
And if the proposition be true in whole, must it not be true in part? If, for example, she refuses to purchase beyond the extent of twenty-five millions of dollars, must not her exports be at the same time reduced to twenty-five millions?

President Wayland is, if possible, still more clear on this list. "I think," says he, "it is too obvious to need remark that duties on imports can have no favorable effect on exchange. Their only effect must be to raise the price of products, and of course to diminish the ability in both parties to exchange. Every one knows that the exchanges between wo places are diminished by any natural obstacle to the nunication. If a road were so bad that it cost five dolars per hundred weight to transport merchandise between two places, every one knows that exchanges between these places would be fewer than they would be if the road were improved so that transportation could be effected for twenty ve cents per hundred weight. Now it makes no difference whether this additional four dollars and seventy-five cents be the result of the badness of the road, or of a transit duty etween the two places. The diminution of exchange which t causes will be precisely the same." And in conclusion he adds, "I therefore think it evident that government can do nothing to facilitate exchanges by means of discriminating duties

3. Protection is injurious to national wealth. If what we have said under the two preceding heads be true, this is a postulate which scarcely requires proof. National wealth s the aggregate of the individual wealth of a nation. And although it may be true that certain classes of individuals are benefitted for a senson by protective laws, yet the aggregate wealth of the nation is diminished. If an article requires protection in order to defend it

against foreign competition, that circumstance alone is su cient proof that it cannot be produced as cheaply as it can be imported. The object of the protective duty is to raise the price in order that the production may become profitable; and if it does not accomplish this it affords no protect tion. But the protective duty and consequent increase of of production. The article price do not diminish the cost an therefore be produced no cheaper now than before; it must consequently still be produced at a loss, but the loss is borne by the whole community, who are taxed to the amount of the increased price for that purpose. Hence it is clear, that the whole community, that is, the nation, sustains a loss at least equal to the additional price caused by the protection of the Canal as well as River is nearly arrested. borne by the whole community, who are taxed to the am-

scale, and it is known to everybody, is gractised by almost dal. We stingulate the production of articles which we can tive duty, and that therefore protection is injurious to na

to which our soil and climate are particularly adapted.

Again: protection's further injurious to production by increasing the cost of the articles produced. In order to compare the country a large amount of money which creasing the cost of the articles produced. In order to compare the country a large amount of money which creasing the cost of the articles produced. In order to compare the country a large amount of money which creasing the cost of the articles produced. pete successfully with other nations, we must be able to ex- would greatly add to the wealth of the nation. Trues, a few

This doctrine of saving money is one of those popular fallacies which are but too prevalent on the subject of national wealth. It should be remembered that commerce is an exchange of equivalents; an exchange which is equally beneficial to both parties. Now it makes no sort of difference whether this exchange is effected by means of mone or of goods, as in either it is made value for value. If man wants a hat more than he wants five dollars, he is none the poorer for parting with his money. The less or gain, therefore, which would attend the home production of silk, must depend on something else besides the mere passage of money across the Atlantic.

The hatter who should undertake to save money my making his own boots, would be regarded as a very poor ecomomist; as everybody knows that he could procure more boots by giving his undivided attention to his own business, and ton, or wheat, or tebacco, than by cultivating mulberries and propagating silkworms. If it costs more to produce the silk than to procure it by exchange, it is clearly no saving to the

Another fallacy, quite as common as the last, is, that pro tection is necessary to encourage domestic industry. Thus we often hear it asked, when articles of luxury are brought into the country for the rich, "Why such men do not en courage home manufacture, and give encouragement to do-mestic industry?" At first view, this position may appear nite natural. But let us examine it a little more closely. These articles have been procured abroad in exchange for American products, and are therefore just as much the result of American industry as if they had been produced at home. Who will say that the laborer, who, at the end of the week, exchanges his wages for a coat, has not procured it by own industry just as much as if he had fabricated it with his

Further: let us suppose that a wealthy farmer of New-York chooses to clothe his family in the richest kind of silk. He could do it in two ways. He might, 1st, employ a dozen men to plant a ulberries, and carry on the manufacture on his own farm: or, 2d, he might set these men to ploughing his fields and producing a crop of wheat. The wheat he thus raised, he would exchange with a southern planter for cotton, and this cotton he would exchange with the Freuch merchant for silk. Who will say that the foreign silk is not just as much the product of American industry as though it had been made directly by the laborers of the New-York

But it is said, again, that although under a protective policy, we may be obliged at first to ask a higher price for our productions; yet having once introduced them, they will, in the end, become cheaper by competition than before, and that we shall finally reap a benefit from protection. To this we answer, 1st, that if the soil, climate, &c., present natural obstacles to the production of any article, no competition 32 ever make it profitable; and, 2d, that all things being as favorable as in other countries, except labor and capital, still, as no competition can ever reduce prices below the cost of production, and as these circumstances must centinuo to influence the cost of production while they remain, the pro-tective policy can have no favorable effect in lowering

In a country like ours, where every thing is progressive an article which may not be profitably produced now, may be profitably produced at some future time, when capital shall have become more abundant, and labor less productive. To attempt to anticipate that time by means of the the forcing system of protection can never prove advantageous to a country, as it must inevitably be atterded with public loss, and by injuring the accumulating capital of the nation have a direct tendency to put off, that time to a more distant day.

Besides, it must not be forgotten that our situation, loca-

ted as we are, some thousands of miles from the most producing nations, is itself a natural protection, and that this protection is still further increased by the duties which are required for the support of government. These give us an advantage without the special interposition of the state, advantage without the special interposition of the state, which is quite sufficient to stimulate our enterprising citizens to the pursuit of wealth in every mode of industry which

offers the least prospect of success.

In short, we are fully satisfied that the only sure guide to wealth and prosperity is firefore, entire and unrestricted. it to be no part of their duty; and it seldom fails of leading, in the end, to disaster and ruin free trude, men are guided by the instinct of their own interests, and the cotton planter, the wheat-grower, the manufacturer, the blacksmith, hatter, shoemaker, tanner, &c., all fix themselves in such situations as they believe will be most profitable to themselves; and unless they greatly mistake their own interests, their choice will be best calculated to produce the greatest amount of products to the country.

The best protection, then, is the protection of all men in their persons and property—the protection of society by means of general education—and the protection of our flag wherever it shall be unforted to the four winds of heaven. It is such protection which gives nerve to enterprise, spirit to industry, and wing to commerce; and which is destined to carry forward our country in that mighty and glorious progress which she has commenced with such Herculeau

GENIUS AND THE PRINCE .- The people admire both most on two occasions-when they commence their reign and when they resign it. On the coronation day and the funeral day they are most loudly praised. So shines a star most brightly at two points-at its rising and at its setting; while the sum and every star seems less in mid-heaven, just when they pour the richest light upon the earth.

HERDER AND SCHILLER .- Both in their youth had their hearts set on the study of surgery. But Destiny said, "No! There are deeper wounds than those of the body; heal the deeper!" and they both wrote.

Jean Pael.

FROM TEXAS .- Intelligence has been received at New Orleans from Galveston to the 13th inst. but nothing had transpired of interest. There had been another fight with the Indians about fifty miles above Austin, in which eight Indians were killed and 30 horses captured. The expedition was under the command of Capt. Dolson, who was badly wounded.

FROM HAVANA. - Dates from Havana received at N. O. state that 62 negroes from Jamaica, believed to be abolitionist emissaries, had effected a landing on the south side of Cuba. Thirty of those black subjects of Queen Victoria had been arrested and ordered to be shot. The Spanish authorities were in pursuit of the others. Otherwise every thing was tranquil on the Island.

Mr. Reuben M. Whitney has commerced a series of letters to Nicholas Biddle upon the management of the United States Bank

IF There was quite a Freshet at a Albany when the boat left on Thursday evening. The water, which was before over the dock, rose eight feet on Wednesday night. The business.